

HB

144

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 144

Revision Date: _____ Dept. Affected: Revenue
 Title: An Act relating to fees for certain costs of administering the BRU: Permanent Fund Dividend
permanent fund dividend program. Component: Permanent Fund Dividend
 Sponsor: House Finance Committee
 Requestor: House Finance Committee COMPONENT SERIAL NO. 981

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE FUND SOURCE:	60.0	60.0	60.0	60.0	60.0	60.0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

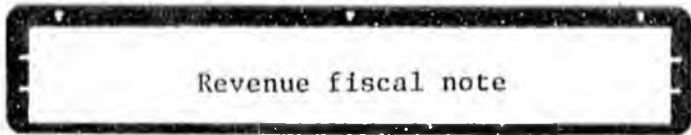
Estimate of current year (FY93) impact: \$ -0-

ANALYSIS: (Attach a separate page if necessary)

See Attached.

Prepared by: Thomas C. Williams *Thomas C. Williams* Phone: 465-2323
 Division: Permanent Fund Dividend Date: 02-17-93
 Approved by Commissioner: [Signature] Date: 2/17/93
 Agency: Department of Revenue

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ALASKA DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND DIVISION

ANALYSIS OF HB 144

As of February 17, 1993

Expenditures

The only costs to implement this legislation would relate to the required regulation notice and adoption procedures plus a limited amount of data processing programming.

If the required regulations were advertised in conjunction with other pending regulation amendments, additional costs of this legislation would not be significant.

Revenues

The revenues generated by the adoption of a processing fee would be deposited *into the dividend fund*, offsetting the costs of processing attachments.

ALASKA DEPARTMENT OF REVENUE
 PERMANENT FUND DIVIDEND DIVISION
1989 - 1992 PFD ATTACHMENT & ASSIGNMENT ACTIVITY

As of January 25, 1993

<u>PFD Year Services Held (A)</u>	<u>4 Year Total</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
<u>Attachments (B)</u>					
IRS (Federal Taxes) (C)	48,877	18,166	12,413	11,548	6,750
Non-municipal Writs served by					
Process Servers (Judgements) (C)	30,114	9,374	8,218	6,462	6,060
ACPE (Student Loan Delinquencies)	26,678	8,575	7,282	5,997	4,824
CSED (Child Support Delinquencies)	29,118	7,892	7,571	7,112	6,543
Municipal Writs (Fines & Taxes)	5,644	1,200	1,224	1,323	1,897
PFDD (Repayment of Dividends)	2,513	721	760	549	483
Certified Services (Judgements) (C)	565	565	(D)	(D)	(D)
DOL (Employment Taxes)	577	139	121	127	190
IEAD (State Taxes)	191	20	34	52	85
Court Orders (Judgements)	27	5	1	20	1
<u>Total Attachments</u>	144,304	46,657	37,624	33,190	26,833
<u>Assignments (E)</u>	15,960	4,628	3,753	4,502	3,077
<u>Total PFD Year Services Held</u>	<u>160,264</u>	<u>51,285</u>	<u>41,377</u>	<u>37,692</u>	<u>29,910</u>

Notes

(A) The figures reported for 1989-1991 are for the period April 1 through March 31 of the year indicated. The 1992 figures are for the period April 1, 1992 through December 31, 1992.

(B) The attachment figures represent the number of attachments that actually were held. Some of the attachments received are returned because they are for an individual who is not on file. Others correspond to individuals who are on file but are released by the individual or agency filing the attachment before the department makes payment. The figures reported correspond to unreleased attachments held during the periods indicated.

Not all these attachments received funds. For example, an individual may have been attached by both CSED and the IRS. If the CSED attachment equaled or exceeded the amount of the dividend, CSED would receive the entire dividend, and IRS would receive nothing. However, the statistics would still reflect 2 attachments.

(C) Until December 30, 1990 the exemption from attachment for these items was 50%. Effective January 1, 1991 the exemption from attachment for these items was reduced to 45% by § 3, Ch 198, SLA 1990.

(D) Certified services were only available starting in 1992 as a result of amendments to AS 43.23.065 enacted by Ch 52, SLA 92.

(E) Since 1989 assignments can only be made to governmental agencies or a court.

ALASKA DEPARTMENT OF REVENUE
 PERMANENT FUND DIVIDEND DIVISION
1989 - 1992 PFD ATTACHMENT & ASSIGNMENT ACTIVITY

As of January 25, 1993

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ELECTIVE DISTRICT 14
ELMENDORF A.F.B.
EAST ANCHORAGE
GOVERNMENT HILL

REP. TERRY MARTIN

HOME
355 DONNA DR., #11
ANCHORAGE, AK 99504
PHONE: 333-6990

DURING SESSION
P.O. BOX V
STATE CAPITOL BUILDING
JUNEAU, AK 99811
PHONE: 465-3783

Alaska House of Representatives

MEMORANDUM

TO: House Finance Committee

FROM: Representative Terry Martin *T.M.*

DATE: February 16, 1993

SUBJECT: House Bill 144,

An Act relating to fees for certain costs of administering
the permanent fund dividend program.

This bill is designed to transfer the costs of administering permanent fund dividend assignments and attachments back to the person whose financial obligations are the cause of the assignment or attachment.

As you know, the amount of every Alaskan's permanent fund dividend is affected by the cost of operating the Permanent Fund Dividend Division. The attached table shows that the Division processed over 51,000 attachments and assignments in 1992.

If we pass HB 144, the cost of processing the attachment or assignment will be paid by the obligor instead of being absorbed by the Division as a cost of doing business. The net effect of this bill will be that every Alaskan's dividend will be increased, albeit by a small amount; and those Alaskans whose financial practices cause their dividends to be attached or assigned will pay a fee for the cost of the extra handling and processing of their PFDs.

SPONSOR STATEMENT